

Development (19⁴⁷) Department.

Miscellaneous SERIES.

G.O. No. 5422

Dated 21.11.1947

[Despatch Abstract.]

Agriculture - Grow More Food Campaign - Financial assistance to private works and individuals in their agricultural enterprises - Principles - Communicated

GOVERNMENT OF MADRAS
Development Department
Letter No.59696.A111/47-2.D/2-7-1947.

To
The Secretary to Government of India,
Department of Agriculture, NEW DELHI

Sir,

I am directed to address the Government of India on the question of financial assistance to private parties for Grow More Food Schemes. In the revised definition and classification of schemes communicated with their letter No.F.65/47 GMF. dated 15th April 1947, the Government of India have stated that Grow More Food (Works) Schemes provide for the rendering of assistance to agriculturists for construction of private works of any of the following classes:-

- 1.(A) Surface percolation wells.
- 2.(B) Irrigation tube wells.
- 3.(C) Pumping installations.
- 4.(D) Tanks and channels
5. Land improvement works, viz., drainage works, contour-bunding works, clearance and reclamation.

The ~~THE~~ Government of India have not however referred to financial assistance to private parties in respect of other kind of Grow More Food Schemes. In the opening address of the Hon'ble Member for Food & Agriculture, Government of India, at the Food Production Conference held at New Delhi on the 15th and 16th of Jan.1947, it is stated that the Central Government had been contributing 25% of the expenditure on Grow More Food Works when the other 25% ~~of the expenditure~~ is met by the provincial Government and the balance of 50% by the cultivators themselves. At the discussions on Grow More Food Schemes at Madras on 12th May 1947, the case of an Agricultural Development Company, which was recently formed, was informally mentioned to the Hon'ble Member, who stated that a private party should be given grants only on the basis of grain delivered to Govt. and not on the extent of land brought under cultivation. Similar applications from individual agriculturists and others are being made both to this Government and to the Government of India for financial assistance for their food production schemes. The Government of India have been forwarding the applications received by them to this Government and intimating the parties concerned on the following lines:

"The Government of India do not give financial assistance to individuals but only to the Provincial Governments for Grow More Food Schemes submitted by them and approved by this Government. The Provincial Governments in their turn advance loans and subsidies to individuals in their areas for agricultural enterprises. Your letter under reference has therefore been forwarded to the Government of Madras." (C.f. Govt. of India's letter No.F.8-64GMF, C.O./47, d/21-5-47 on the application of Sri Dewan Bahadur R. Sundarachari, Retired Accountant-General Kondayampet Tiruvanaikoil Post, Trichinopoly District.)

2. I am to say that the principles for financial assistance to private parties for food production schemes are not clear and that it is desirable that they should be defined as far as possible for the guidance of the Provincial Governments and the parties themselves. The items of work proposed to be undertaken by private parties do not always fall under "Works" Schemes under the classification mentioned in the Government of India's letter No.F.65/47 GMF. dated 15th April 1947. For example, private parties ask for financial assistance for purchase of tractors, for import of power drills, for purchase of motor trucks, for laboratories and technical staff etc., They also apply for financial assistance in respect of G.M.F. Schemes by way of loans, interest free or at concessional rates of interest. I am to enquire whether private parties will be eligible for financial assistance by way of grants or loans for any item of work

p.t.o.

work which is considered necessary by the Provincial Government in the interests of food production. I am also to enquire whether such financial assistance would be extended only at the initial stage, viz., land reclamation etc., or also at subsequent stages of actual cultivation. As regards the proportion of financial assistance, I am to enquire whether the Government of India will bear 25% of capital cost as well as recurring expenditure on such schemes if the Provincial Government approves such schemes and are willing to bear the other 25%, provided the balance of 50% is met by the private party itself. I am to request that the Government of India may kindly clarify the position and lay down working principles on the following two questions:-

- (i) The categories and the stages at which private Grow More Food Schemes will be eligible for financial assistance by the Government of India; and
- (ii) The percentage of grants that the Government of India will bear on the cost of such works,--both capital and recurring.

As regards the grant of financial assistance by way of loans, I am to enquire, whether in the event of any such loan being sanctioned by the Provincial Government, the Government of India will be prepared to contribute 50% of the loss likely to result from the remission or the collection of the concessional rates of interest; the concessional rate of interest being interpreted to mean a rate lower than the one usually adopted by the Government for the grant of similar loans.

Your obedient servant,

(Sd.) xxxx
Secretary to Government.

gs/12-1/

Copy of No.F.8-103/47-GM.F, dated 14/15th October, 1947 from the Ministry of Agriculture, Govt. of India, New Delhi addressed to the Secretary to the Govt. of Madras, Development Deptt., Fort St. George, Madras.

Sub: G.M.F.Campaign - Financial assistance to private works and individuals in their agricultural enterprises.

I am directed to refer to your letter No.59696-AIII/47-2 dated the 2nd July, 1947 on the subject mentioned above and to say that the main principle underlying the definition and classification of the Grow More Food schemes is that a scheme to be eligible for financial assistance from the Grow More Food funds should result in a permanent increase in the yield of food within the target period of five years. So long as this main criterion is satisfied, other points are matters of detail and the Government of India consider that it should be possible for the Provincial Government to fit in a particular item of expenditure to one or other of the various heads eligible for Grow More Food assistance. Thus, financial assistance by the Provincial Government for the purchase of tractors, power drills, motor trucks and the like will be eligible for Grow More Food assistance as long as they are required for work classified as being eligible for such assistance e.g. digging wells, forming bunds and reclaiming lands, which are directly related to the Grow More Food campaign. Doubtful cases may however be referred to the Government of India but it may be mentioned that if the Provincial Govt. are satisfied that the expenditure in question is for the purpose of increasing food production and will lead to that result, the Government of India on their part will be prepared to sanction such a scheme.

GOVERNMENT OF MADR.
Development Department
G.O.Ms.No.5422, dated 21-11-1947.

ABSTRACT

Agriculture - Grow More Food - Campaign - Financial assistance to private works and individuals in their agricultural enterprises - Principles Communicated -

READ:-

G.O.Ms.2197, Development dated 17.5.1947.
Letter to the Govt. of India, Ministry of Agriculture,
No.59696.AIII/47,-2, dated 2.7.1947.
From the Govt. of India, Ministry of Agriculture,
No.F.8.103/47.G.M.F. , dated 14/15th October, 1947.

O R D E R:

In the revised definition and classified ~~Of~~ ~~xxx~~ Grow More Food Schemes communicated in their letter No.F.65/47 G.M.F. dated 15.4.1947(Vide G.O.Ms.2197, Development dated 17th May 1947) the Government of India have stated that Grow More Food (Works) Schemes provide for the rendering of assistance to agriculturists for construction of private works of any of the following classes:-

- (1) Surface percolation wells.
- (2) Irrigation tube wells
- (3) Pumping instalmlations.
- (4) Tanks and channels.
- (5) Land improvement works viz. drainage works contour bunding works, clearance and reclamation.

The Government of India have not however referred to financial assistance to private parties in respect of other kinds of Grow More Food Schemes. In the opening address of the Hon'ble Minister for Food and Agriculture, Government of India at the Food Production Conference held at New Delhi on the 15th and 16th of January 1947 it was stated that the Central Government have been contributing 25% of the expenditure, on the Grow More Food Works when the other 25% is met by the Provincial Government and the balance of 50% by the cultivators themselves. As the items of work proposed to be undertaken by private parties do not always fall under 'works' schemes under the classification mentioned in the Government of India's letter ibid and private parties ask for financial assistance for purchase of tractors, for import of drills, purchase of motor trucks, for laboratories, technical staff etc. this Government addressed Government of India in the ~~xxx~~ reference cited for a clarification of the position and for laying down working principles on the following questions:-

(1) The categories and the stages at which private Grow More Food Schemes will be eligible for financial assistance by the Government of India;

(ii) The percentage of grants that the Government of India will bear on the cost of such works both capital and recurring; and

(iii) that in the event of any loan sanctioned by the Provincial Government, the Government of India will be prepared to contribute 50% of the loss likely to result from the remission or the collection a concessional rate of interest.

In their reply the Government of India have stated that the main Principle underlying the definition and classification of Grow More Food Schemes is that a scheme to be eligible for financial assistance from the Grow More Food Funds should result in a permanent increase in the yield of food within the target period of five years (i.e) 1947-48 to 1951-52) and that so long as this main intention is satisfied other points are matters of detail. A copy of this Government's letter No.59696.A.III/47-2, dated 2nd July 1947 and the Government of India's letter No.F.8, 103/47, G.M.F. dated /p.t.o

dated 14/15th October, 1947 are enclosed. The Heads of Departments are requested to bear in mind the principles laid down in the letter of the Government of India in recommending financial assistance to private Grow More Food Schemes and to submit schemes, to Government for orders as soon as they are received.

(By Order of His Excellency the Governor)

x x x x,
Secretary to Government.

To
The Director of Agriculture.
The Director of Veterinary Services.
The Director of Industries and Commerce.
The Board of Revenue.
The Board of Revenue (C. S.)
The Chief Engineer (Irrigation)
The Chief Engineer (Electricity)
The Public Works Deptt.
The Food Department
The Revenue "
The Finance Deptt.
etc.